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More Liberal Than Tho
STEPHEN HOLMES
Passions and Constraint 5

A Reluctant Marxist
G.A. COHEN
Self-Ownership, Freedom, and Equality 9

Can Equations Save Socialism?
BRUCE CALDWELL, ED.
The Collected Works of F.A. Hayek, Volume 10 13

New Slavery for Old
JAMES M. McPHERSON
Drawn With the Sword 16

America's Original Sin
THOMAS G. WEST
Vindicating the Founders 20

The Distance from Chicago to Vienna
SHERWIN ROSEN
"Austrian and Neoclassical Economics: Any Gains From Trade?"
LELAND B. YEAGER
"Austrian Economics, Neoclassicism, and the Market Test" 24

WITH CHARITY TOWARD TOO MANY

Living High and Letting Die: Our Illusion of Innocence

Peter Unger
Oxford University Press, 1996, xii + 187 pgs.

Even when compared with other works of philosophy, this is an odd book. Readers who have been spared much acquaintance with contemporary moral philosophy will be inclined to toss the book away when they learn its central thesis.

But to do so would be a mistake. Unger is an influential analytic philosopher and his views echo or amplify the positions of other prominent philosophers, e.g., Peter Singer and James Rachels. We do not face a "lone nut" but rather a conspiracy. And the position advanced by Unger and his associates, if put into practice, threatens drastic political consequence.

Enough of preliminary abuse: what is Unger's thesis? In his view, people in the developed world (that's us) have an almost unlimited moral duty to aid the world's poor. In an Ungerian world, you might find yourself

A Quarterly Review of Books, by David Gordon

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devoting all your earnings above your own subsistence to flood relief in Bangladesh or aiding famine victims in the Sahel. Never mind the "difference principle" of John Rawls: what Unger mandates is a World Welfare State.

In fairness to our author the political implications of his views do not for him take center stage. Rather, he is concerned to urge readers to donate large sums privately to charity. If the government does not make the choice for you, it is up to you to select your favorite victimized nation and transmit the bulk of your income forthwith. But Unger can have no objection to governmental coercion; the fate of millions in Asia and Africa is at stake.

Select your favorite victimized nation and transmit the bulk of your income forthwith.

How does our author arrive at his striking views? He begins by asking us to consider this case: "*The Shallow Pond.* The path . . . to the humanities lecture hall passes a shallow ornamental pond. On your way to give a lecture, you notice that a small child has fallen in and is in danger of drowning. If you wade in and pull the child out, it will mean getting your clothes muddy" (p. 9). Should someone pass by the little girl or boy lest he dirty his suit, we would think he had acted badly.

Contrast our reaction to the following case. "*The Envelope.* In your mail, there's something from UNICEF. After reading it through you correctly believe that, unless you soon send in a check for $100, then, instead of each living many more years, over thirty more children will die soon" (p. 9). People who sometimes ignore charitable appeals are not ill thought of: we do so all the time.

But, Unger inquires, wherein lies the difference? If it is wrong to allow the little girl to die, why is it all right to refuse to donate the money that will enable thirty children to live? (For conservatives to experience the force of Unger's query, one must of course substitute for UNICEF a charity not given to addlepated socialistic nonsense.)

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Unger's strategy should now be apparent. He suggests that no relevant difference exists between the two cases. And one must give him credit. He considers, with great ingenuity a large number of reasons that might be alleged to set the two cases apart–e.g., in the pond case one can see the person in danger and in the charity case many people are likely to receive the appeal. With mixed success, he endeavors to show that none of the items on his list succeeds in distinguishing the cases.

What then follows? Unger, like Peter Singer before him, argues that we should recognize that we ought morally to answer the charitable appeal. If we allow him his first step, but demur at measures that will seriously inconvenience us, Unger's response is resourceful but bizarre.

Why must our personal convenience limit morality? He suggests, first of all, that we are justified in seriously harming some to relieve a much greater amount of suffering in others. To secure the greater good, we must, if necessary, lie, cheat, maim, or kill. "A few moments ago, we supposed that stealing always involves taking that's wrongful. But, actually, that's not so. Indeed, sometimes stealing's very good" (p. 67). I suggest that you watch your wallet if Professor Unger is around.

Once given this step, the rest is child's play. If you are willing to impose sacrifices on others for the sake of the general good, does not moral integrity require you to burden yourself? If, as one of Unger's cases has it, you may sever someone's leg to save another's life, must you not be willing to enslave yourself to help victims of sleeping sickness in Africa? What could be more obvious?

To secure the greater good, we must if necessary, lie, cheat, maim, or kill.

In arriving at his striking views, Unger distinguishes two methods of conducting a moral inquiry. One, preservationism, says that we should accept people's judgments about puzzle cases as they stand. If people think you ought to save the little girl but stand under no obligation to give money to the thirty children, so be it. This view Unger rejects.

He supports liberationism, according to which our judgments about cases must withstand further tests in order to be accepted. If our judgments appear to generate inconsistent results, as in the Shallow Pond and Envelope examples, then we must ask: what factors distort our judgment in at least one of the cases? Our judgments need to be regimented according to underlying principles. If necessary, some of our initial judgments should

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be cast out. This is of course the position our author accepts.

Those of us unwilling to enslave ourselves to the greater glory of UNICEF must endeavor to escape Unger's argument. How may we do so?

The key to a successful response to Unger lies in one fact. In his analysis of his cases, he has introduced more than the demand for consistency and an endeavor to eliminate so-called "distortive factors." In addition, he has imported a form of utilitarianism–people have a moral duty to minimize the sum total of human suffering.

The merits of that theory have long been a source of contention, and I do not propose to enter that debate here. My point rather is more limited. Utilitarianism is a disputed moral theory, whose truth cannot be taken for granted in argument. And this is just what our author does. He throws out our judgment that we can refuse to return a cash-stuffed envelope to UNICEF not for some logical failing. Rather, it is rejected because it comports ill with a theory that Unger has assumed out of thin air.

If one accepts Unger's liberationist belief in consistency, but combines with this a moral theory different from the one our author peddles, escape from having to surrender one's wealth is at hand. On a moral egoist theory, e.g., our duties to others are quite limited, if not done away with altogether. A divine command theory may restrict our obligations exclusively to fellow believers.

My point is not to defend one of these views, or some other option more in the mainstream. Rather, I wish merely to claim that giving up preservationism does not at once get you to the liberationism our author wants.

Those of us unwilling to enslave ourselves to the greater glory of UNICEF must endeavor to escape Unger's argument.

If you restrict yourself to consistency alone, you can decide to abandon our judgment on the Shallow Pond instead of the Envelope. Unger is aware of this possibility, which he finds repellent. "On a third view, our responses to both cases fail to reflect anything morally significant: Just as it's all right not to aid the Envelope, so, it's also perfectly all right in the Shallow Pond" (p. 13). Whatever its deficiencies, the position is as consistent as Unger's.

And what if we prefer not to abandon our initial judgments on either of the cases? Unger may then term

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us inconsistent, or accuse us of falling victim to distorting factors, but a firm preservationist need not despair. Precisely his point is that we must not abandon the "booming, buzzing confusion" of our judgments for theoretical imperatives. He may contend that Unger has begged the questions against him by his demand that our judgments be regimented.

However one chooses to escape Unger, of one thing one can be sure: If your theory arrives at nonsense it is time to reconsider. Somehow, I suspect that Unger will not do so. ✦

More Liberal Than Thou

Passions and Constraint: On the Theory of Liberal Democracy
Stephen Holmes
University of Chicago Press, 1995,
xiii + 337 pgs.

Classical liberals of today think that true liberalism was highjacked sometime around the end of the nineteenth century. The liberals of the old school favored individual rights, a free market, and a strictly limited state. But, as Herbert Spencer presciently foretold in *The Man Versus the State* (1884), a new version of liberalism reversed the faith handed down from of old. Now statism was the order of the day; far from being a dangerous force to be kept under strict scrutiny, the state was held an essential means to promote welfare.

On this interpretation, which should be old hat to all readers of Mises and Rothbard, the welfare liberals of today's Democratic Party are at

According to Holmes, today's welfare liberalism fulfills classical liberalism.

the opposite extreme from true liberalism. And libertarianism, to go further, is classical liberalism come into its own. Mises, not Franklin Roosevelt or John Dewey, is the true liberal.

From this verdict, Stephen Holmes vigorously dissents. Modern social democrats have not, in Carl Becker's phrase, exchanged "new liberties for old." On the contrary, today's welfare liberalism fulfills classical liberalism. But how can Holmes hope to make good his surprising thesis? From a strictly limited government, we have arrived at the Leviathan state of contemporary welfarism. How can anyone rationally deny that the two "liberalisms" differ radically?

Holmes acknowledges that classical

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liberalism supported limited government: but, he asks, what is the reason liberals wanted to replace absolutism with a limited constitutional order? In answer, he turns to an unexpected source: Jean Bodin, whose *Six Books of the Commonwealth* (1576) is usually taken as a key work in the development of absolutism.

Now we have deepened the problem. Holmes claims continuity between old and new liberalism. In support, he appeals to a sixteenth-century work defending absolute monarchy. Has Holmes lost his marbles?

I do not think that he has, although his thesis is radically mistaken. His point is that Bodin recognized that government must be limited in order to be efficient. If the king tried to do too much, he would weaken his power. By observing fixed constitutional rules, the monarch would strengthen, not weaken, his authority.

"However attractive *les grands coups d'autorité* may seem in the short run, they prove totally contrary to the king's long-term interest. It would be a fatal error to put to sleep the old representative assemblies. . . . The sovereign should retain these traditional bodies not because he is 'just,' and not because of the sanctity of tradition, but for purely calculating and self-interested motives, because they are the indispensable tools of royal government" (p. 119).

Well, you may inquire, so what? Even if Bodin favored constitutional restraint to promote royal power, how does this lend support to Holmes's continuity of liberalism thesis? Before addressing this issue let us digress to consider on its own merits Holmes's interpretation of Bodin.

It isn't that the king would be ill-advised to attempt certain things: if Bodin is right the king cannot—logically cannot—do them.

Holmes underrates the extent to which Bodin thought that limits to sovereign power are mandated by logic, rather than suggested by strategy. Just as God cannot do what is logically impossible, so in Bodin's view the sovereign cannot violate the necessary conditions of his office. He cannot, for example, abolish the monarchy.

In the book's best passage, Holmes himself in part recognizes this point: "Bodin's political theology . . . is explicitly based on a loose analogy between God's self-binding and the self-binding of the political sovereign: constitutional restrictions are less *limits on*, than *expressions of*, sovereign freedom and power. Illicit when it involves diminution of the crown's authority,

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monarchical self-binding is possible, permissible, and even obligatory when it maintains and increases royal power" (pp. 151–52).

Very good: but Holmes fails to see that to the extent Bodin has in mind *logical* constraints on royal power, this is an alternative theory to the one Holmes presents. It isn't that the king would be ill-advised to attempt certain things: if Bodin is right the king cannot—logically cannot—do them. Further, Holmes underestimates the extent to which Bodin valued tradition for its own sake. A full treatment would require comparison of the *Six Books* with the earlier *Methodus* (1566), and this Holmes does not undertake. And his analysis of Bodin on tolerance (pp. 123–25) leaves out of account altogether Bodin's book on witchcraft. Bodin was much more traditionalist, and rather less a supporter of efficient monarchy, than Holmes allows.

There is also a logical problem in Holmes's statement of his thesis. He says that Bodin wanted the king to limit his power in order to strengthen it. But he never asks, what is the common goal that a constitutional monarchy accomplishes more efficiently than an unlimited one? No doubt a limited state can do *some* things better than an unlimited one, but the lists of actions the two states attempt will differ in many particulars. In what sense, then, is the constitutional state more efficient? Efficient at what?

Incidentally, imprecision in the use of terms weakens Holmes's discussion of passion and self-interest, a theme of the book that space limits compel me to neglect. Holmes has interesting things to say about the emotions in Hobbes and Hume, but he fails adequately to characterize rational self-interest. I am at a loss to state exactly why Holmes thinks that his points about the emotions contradict

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about the emotions contradict the theory that people are exclusively governed by self-interest. But this is by the way.

I suspect that some readers—I hope only a few—will think that I have gone on about Bodin for too long. All right, I admit it: they are no doubt right. So let us return from Bodin to the far less interesting Holmes.

Holmes has fallen into exactly the same fallacy that ruined his account of constitutional government.

Suppose that Holmes is right (he may well be) that a group of writers, perhaps including Bodin and Spinoza, favored constitutional limits on power in order to strengthen the state. How does this show that the classical liberals favored constitutional limits for the same reason? Certainly a large number of writers supported a limited state not to strengthen the state, but because they feared its power.

Let us consider, for example, Frédéric Bastiat's classic *The Law*. Bastiat contends that the state cannot do anything that individuals themselves lack the right to do. Individuals cannot cede to the state powers they do not have. Holmes never mentions Bastiat, or such other great classical liberals as de Molinari, Auberon Herbert, and Herbert Spencer. Surely they are entitled to some discussion in an account of classical liberalism. Perhaps they merit almost as much attention as Bodin and Hobbes, not liberals at all. [I am grateful to Ralph Raico for very helpful discussion on this point—ED.]

We have so far examined one part of Holmes's alchemy: the limited state of classical liberalism is not at odds with the all-powerful state of today, since a purpose of constitutional limits is to make the state more efficient. But even if we were to accept this wild and woolly "reasoning," Holmes would not have achieved his purpose. A strong efficient state need not be a welfare state. Holmes must show that the classical liberals supported welfarist measures, if his continuity thesis is to be maintained. But how can he do this? Were the classical liberals not strong supporters of the free market? If some of them allowed governmental provision of welfare on a limited basis, was this not under terms that contemporary leftists would find onerous? What about the English Poor Laws?

Once again, our author has a response. True, classical liberals supported property rights. But they did so because in their judgment these rights promote individual security. If this is the purpose of individual rights, we can ask: What best promotes individual security today?

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The answer—surprise—is the welfare state. Holmes cites with apparent approval the view of the legal theorist Frank Michelman that welfare benefits "foster the *inclusion* of all citizens into the system of private and public rights guaranteed by the Constitution" (p. 263). Although he acknowledges that "the idea that implicit educational and economic rights are necessary preconditions for the proper utilization of explicit (political and legal) rights is vulnerable to some serious criticisms," he nevertheless finds it in accord with eighteenth-century liberalism.

The answer for Holmes is the welfare state.

What has gone wrong? Holmes has fallen into exactly the same fallacy that ruined his account of constitutional government. When faced with a classical liberal measure, he asks: what is its purpose? This question he answers in a one-sided way. He then claims that the same purpose may today be accomplished by the tactics of modern welfarism. Hence old and new liberalism form parts of the same tradition.

Thus, just as Holmes thinks the purpose of limiting government is to strengthen the state, so he argues that the purpose of property rights is to promote social security. At least on this occasion Holmes can cite a few liberals, such as John Stuart Mill, who did emphasize security. But he ignores the many classical liberals who did not subordinate libertarian rights to other considerations. Had he read a wider sampling of classical liberals than the few he considers, Holmes would have found it more difficult to mutate the classical doctrine into its opposite.

Professor Holmes is, on the whole, impressively erudite. But his discussion of Bodin makes no reference to the *Universal Theory of Nature*; and he does not recognize that his quotation from Jefferson, "truth is great and will prevail" is a familiar passage from the Apocrypha (p. 170). ✦

A Reluctant Marxist

Self-Ownership, Freedom, and Equality

G.A. Cohen
Cambridge University Press, 1995,
x + 277 pgs.

G.A. Cohen is my favorite Marxist. He takes libertarian–political theory with extreme seriousness, and again and again he makes points devastating to socialism.

As every reader of Murray Rothbard will know, the principle of self-ownership stands at the basis of libertarian thought. Each person is the owner of

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his or her own body. Combined with a Lockean theory of property, we can at once generate the principles of a free-market order. But even on its own, the self-ownership principle rules out the welfare state. You cannot be compelled to labor for someone else, even if the other person "needs" your labor more than you do.

One might expect a Marxist at once to brush aside self-ownership, but Cohen does not do so. Quite the contrary, he finds self-ownership intuitively plausible: "In my experience, leftists who disparage [Robert] Nozick's essentially unargued affirmation of each person's right over himself lose confidence in their unqualified denial of the thesis of self-ownership when they are asked to consider who has the right to decide what should happen, for example, to their own eyes. They do not immediately agree that, were eye transplants easy to achieve, it would then be acceptable for the state to conscript potential eye donors into a lottery whose losers must yield an eye to beneficiaries who would otherwise not be one-eyed but blind" (p. 70).

As Cohen rightly notes, your right to your own body outweighs commonly used socialist principles that mandate redistribution. You are entitled to keep your eyes even if the fact that you have two working eyes is a matter of genetic luck and even if a blind person "needs" an eye more than you do. (You could still see with one eye but he cannot see at all.)

I hasten to add that while I am happy to accuse socialists of nearly anything bad, I do not contend that they in fact support the eye-transplant scheme. The case is intended merely to illustrate the strength of self-ownership. Incidentally, one English moral philosopher, John Harris, *does* support a compulsory organ lottery, but I do not know whether he is a socialist. (I'll bet he is, though.) There is no proposition so absurd that some philosopher has not advocated it.

As Cohen rightly notes, your right to your own body outweighs commonly used socialist principles that mandate redistribution.

Cohen must now confront a dilemma. He finds self-ownership *prima facie* plausible. But self-ownership leads to libertarianism; must he not then abandon his Marxism? Cohen is not prepared to take this heroic course. True, he recants much of socialism; but he is at most a neo-recantian. What then is he to do?

Two courses of action suggest themselves. He might admit self-ownership, but deny that it leads to free-market

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capitalism. Alternatively, he might claim that, in spite of its surface plausibility, self-ownership ought to be rejected. It is the latter tactic that he adopts: he readily acknowledges that self-ownership negates socialism.

Cohen acknowledges that self-ownership negates socialism.

One of the arguments he deploys against self-ownership is pitifully weak. He asks us to imagine that everyone is born with empty eye sockets. The state implants two eyes in everyone at birth, using an eye bank it owns. If someone lost both eyes, would we not oppose an eye lottery to remove forcibly one eye from a sighted person to help the blind person? But in the example the state owns all the eyes. Cohen concludes that our real objection to an eye lottery in the actual world is not that it violates self-ownership but that people have a right to bodily integrity.

The "suggestion arises that our resistance to a lottery for natural eyes shows not belief in self-ownership but hostility to severe interference in someones's life. For the state need never vest ownership of the eyes in persons" (p. 244).

A defender of self-ownership can readily acknowledge that it would be wrong to remove someone's eyes in Cohen's science-fiction case. All he needs to preserve his principle is that the fact that you own your eyes adds to the moral badness of making you enter the eye lottery. And what is the matter with that?

Bodily integrity and self-ownership supplement each other: they do not compete for our allegiance, as Cohen seems to think.

But why then is Cohen so anxious to give up self-ownership, a principle he has acknowledged seems plausible? He has no more to offer than the usual Rawlsian pabulum. It is "unfair" that, owing to genetic "luck" and other circumstances that people do not "deserve," some are in a position to do vastly better than others. Why should one assume without argument that people ought to have an equal chance at success? It is ironic that Robert Nozick is standardly criticized by leftist political philosophers for assuming libertarian rights without argument, yet they themselves never offer an argument for their egalitarian principles. (Libertarians who do argue for self-ownership, e.g., Murray Rothbard, are largely ignored by the mainstream.)

If self-ownership survives Cohen's half-hearted assault, the free market is not yet out of the woods. Cohen has another argument against libertarians,

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this one directed at Lockean theories of property acquisition. (I omit discussion of Cohen's objections that apply only to Nozick's theory. Unfortunately, Cohen selects Nozick as his standard libertarian.) According to the Lockean theory, individual self-owners may, by mixing their labor with unowned property, come to acquire it.

Unfortunately, Cohen selects Nozick as his standard libertarian.

Cohen maintains that this theory fails by itself to support property rights in land. It is, as it stands, incomplete. For the justification of property rights to be successful, an additional premise is needed. The premise in question is that land is initially unowned. If everyone starts off with rights to an equal share of the earth's surface and resources, the Lockean theory has nothing on which to operate.

We may grant Cohen his point, but it avails him nothing. Why should we assume that people begin with property rights of the kind he wants? He gives no argument that they do; and the assumption that property is at the start unowned strikes me as eminently plausible.

Cohen, of course, dissents. But what happens if we grant him his assumption of an equal initial division of the earth's surface? The upshot, as our author recognizes full well, would not be socialism but a variety of libertarianism. Since the people with the initial endowments are by hypothesis self-owners, they would be free to carry on whatever "capitalist acts between consenting adults" they wished. Hillel Steiner, a British political philosopher much esteemed by Cohen, has devised a quasi-libertarian system of precisely this kind; and Cohen says nothing against it.

I have so far left unsupported a claim that Cohen advanced earlier. What are the devastating admissions about socialism that he makes? One example must here suffice. The leading leftist justification for "social democracy" is of course John Rawls's *A Theory of Justice*. And the socialist aspect of the theory is the famous "difference principle," by which inequalities are justified if and only if they are to the advantage of the least well-off group in society.

Even some who reject Rawls's theory think there is a good deal to be said

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in favor of the difference principle. After all, consider someone devastated by congenital illness. Do we not feel some impulse to help him, even if, as good classical liberals, we deny him a *right* to aid?

Cohen is one of the few writers on Rawls to appreciate a point that Rawls himself makes no effort to conceal. The difference principle does not apply to unfortunates of the sort just mentioned! "[T]hose who indeed are 'unfortunate and unlucky,' are simply not part of the Rawlsian game. . . . The principles of [Rawlsian] justice, being principles for dividing the benefits of cooperation, do not apply to them" (p. 224). Cohen has with this simple observation destroyed the initial moral appeal of the difference principle. Can a writer of Cohen's perspicuity continue wearing his Marxist blinders indefinitely? Time will tell. ✦

Cohen is one of the few writers on Rawls to appreciate a point that Rawls himself makes no effort to conceal. The difference principle does not apply to unfortunates of the sort just mentioned!

Can Equations Save Socialism?

The Collected Works of F.A. Hayek, Volume 10. Socialism and War: Essays, Documents, Reviews

Edited by Bruce Caldwell
University of Chicago Press, 1997,
x + 270 pgs.

Socialism and War gathers together F.A. Hayek's most important papers on the socialist calculation debate. Although Hayek played a key role in this debate, his criticism of socialism was by no means confined to it. In the section "Planning, Freedom, and the Politics of Socialism," Professor Caldwell presents several articles and pamphlets that allow us to see how *The Road to Serfdom* took shape in Hayek's mind.

You will no doubt have noticed that the book is entitled *Socialism and War*; but by far the greater part of the volume covers the former topic, although some interesting papers on war finance repay careful study.

A great deal of discussion among Austrian economists in recent years about the calculation argument has centered on a question of interpretation, on which I propose to concentrate: To what extent did Mises and Hayek differ in their understanding of

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the argument? Reading the papers in Part I of this volume brings to the fore a basic fact. Hayek believed that Mises had won the argument as he had originally presented it. Socialists conversant with economic thought, Hayek maintained, fully recognized this point.

Did Hayek use a different version of the argument from Mises, in which the "knowledge problem" replaces Mises's emphasis on calculation?

Thus, Hayek states: "although the discussion on this point dragged on for several years . . . it became more and more clear that in so far as a strictly centrally directed planned system of the type originally proposed by most socialists was concerned, his central thesis could not be refuted . . . he meant that socialism made rational calculation impossible" (p. 76).

But this at once raises a problem. If everyone who mattered agreed with Mises, what was the further debate about? A new type of socialist responded to Mises by attempting to storm the citadel of neoclassical economics. The equations of general equilibrium, socialists like Oskar Lange argued, could be turned to the advantage of socialism. How might this task be achieved? In two ways: some proposed that by the use of computers, these equations could be solved by a central planning board. Others sought to mimic the market by schemes of "market socialism."

Hayek endeavored to meet both these lines of reply to Mises; and it is here, I suggest, that the issue of "calculation" or "knowledge" arises. Did Hayek use a different version of the argument from Mises, in which the "knowledge problem" replaces Mises's emphasis on calculation? Or was Mises himself a proponent of a knowledge argument?

Mises's original argument, it seems clear, had as its principal target socialists who saw no need at all for a price system. Without even the simulacrum of a price system, obviously no calculation can take place. To raise the issue of whether the real function of prices is to transmit information is not here to the point. At this stage of the debate, socialists lacked the sophistication required for this to be a relevant concern.

Hayek's "knowledge" argument arises only when socialists concede that a rational economic order requires a price system. Here, Hayek's response is that absent a free-market economy, the data required to determine prices cannot be gathered. Thus, reference to the equations of Walrasian

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As a long time student of negative reviews, I am struck with admiration for Hayek's technique.

equilibrium misses the mark. Of what value are these equations if one lacks the information to solve them?

Hayek states what he deems the central issue as regards the mathematical solution in this way: "But to argue that a determination of prices by such a mathematical procedure being logically conceivable in any way invalidates the contention that it is not a possible solution only proves that the real nature of the problem has not been perceived. . . . What is practically relevant here is not the formal structure of this system, but the nature and amount of concrete information required if a numerical solution is to be attempted and the magnitude of the task which this numerical solution must involve in any modern community" (p. 93–94).

In like fashion, Hayek endeavored to show that the competitive solution advanced, in different forms, by Lange and H.D. Dickinson, rested on unrealistically high estimates of the ability of the planners to gather data.

In support of his critical view of socialism, Hayek paid close attention to the weaknesses of the Soviet economy; here he relied heavily on the work of the Russian economist, Boris Brutzkus. Readers will enjoy Hayek's devastating review of Sidney and Beatrice Webb's *Soviet Communism: A New Civilization*. Although Hayek writes suaviter in modo, he really succeeds in putting the knife into the fatuous pair of authors. As a long time student of negative reviews, I am struck with admiration for Hayek's technique.

I have concentrated on only one strand in this important collection, owing to the centrality of the calculation argument in recent years. In sum, Hayek intended his knowledge argument only as a supplement to Mises's calculation argument. Mises's argument was aimed at socialists who deny the need for a price system: thus the mathematical and competitive "solutions" leave his argument untouched.

Mises, by the way, thought the equations of equilibrium completely irrelevant to the calculation debate. "It was a serious mistake to believe that the state of equilibrium could be computed by means of mathematical operations on the basis of the knowledge of conditions in a non-equilibrium state. It was no less erroneous to believe that such a knowledge of the conditions under a hypothetical state of equilibrium could be of any use for acting man in his search for the best possible solution of the problems with which he is faced in his daily choices and activities" (Mises, *Human Action*, 1966, pp.

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714–15). Since equilibrium equations are irrelevant, Mises found "no need to stress" the practical problems involved in trying to solve them.

Professor Bruce Caldwell has on the whole ably edited and introduced this volume. I am surprised, though, at his roseate picture of Walter Rathenau. His social planning scheme was far more radical than a mere emphasis on economies under socialism from producing more standardized goods (p. 10). He held murky mystical beliefs about the need to merge people into one unified body, as well. Further, Rathenau was hardly "a hero to the German-speaking world" (p. 10). His willingness to accept the Versailles settlement and his bitter criticism of his one-time friend Kaiser Wilhelm made him unpopular in conservative circles.

Finally, the quotation from Hölderlin that the editor could not trace (p. 175) is from one of his best known works, *Hyperion*. ✦

Professor Caldwell has on the whole ably edited and introduced this volume.

New Slavery For Old

Drawn With the Sword: Reflections on the American Civil War

James M. McPherson
Oxford University Press, 1996,
xiv+258 pgs.

As usual, let us begin with a paradox. James McPherson, a leading historian of the Civil War, ardently supports the Union cause and views Abraham Lincoln as an outstanding champion of "positive liberalism" (p. 183). Yet M.E. Bradford, in recent years the foremost advocate of Southern traditional conservatism, thought highly of McPherson and his work. Can such things be?

The solution to our paradox lies near at hand. McPherson to a large extent confirmed Bradford's account of the fundamental issue at stake in the Civil War, though he drew from his account a moral totally different from the assessment of the great Southern conservative.

To the seceding Southern states, a Lincoln presidency threatened revolutionary upheaval. The result of the 1860 election meant that the predictions of the South Carolina "fire-eaters" of a Northern assault on the Southern way of life were now to be

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realized. Rather than endure such a course passively, the Southern states departed from the union.

McPherson accepts the Southern position that Lincoln's election threatened the Southern way of life with doom. "Southerners read Lincoln's speeches; they knew by heart his words about the house divided and the ultimate extinction of slavery. Lincoln's election in 1860 was a sign that they had lost control of the national government; if they remained in the Union, they feared that ultimate extinction of their way of life would be their destiny." That is why, he notes, the South seceded. "It was not merely Lincoln's election but his election as a *principled opponent of slavery on moral grounds* that precipitated secession" (p. 198, emphasis in original). Small wonder, then, that Bradford approved of McPherson; he confirmed to the hilt Bradford's analysis of Lincoln as a revolutionary.

One might object to McPherson and Bradford in this way. Whatever Lincoln's personal views on slavery, he did not in 1861 propose to force abolition on the South. Quite the contrary: did he not declare in his First Inaugural Address that he would not interfere with slavery where it already existed? And whatever Lincoln's aims, he could have done little against the South so long as the Southern states maintained their power in Congress and the Supreme Court. Did not the South act with fatal haste in 1861?

Perhaps it did. But, as McPherson makes clear, it had a strong case. Lincoln rejected compromise and later attempted to make his moral convictions about slavery legally binding. "Lincoln opposed the last minute attempts to woo them [the seceding states] back with the Crittenden Compromise" (p. 43).

Lincoln's Secretary of State, the militantly anti-slavery Seward, almost ruined Lincoln's plan to impose his will on the South.

Lincoln's Secretary of State, the militantly anti-slavery William H. Seward, almost ruined Lincoln's plan to impose his will on the South. He "would have evacuated Fort Sumter and thereby extinguished the spark that threatened to flame into war" (p. 194). And we cannot have that, can we!

But if Southern partisans can with justice claim that Lincoln detested their way of life and eschewed compromise, does this not set the stage for a deeper objection to their position? Suppose Lincoln was hostile to slavery: he was perfectly entitled to act on his convictions, to the extent the Constitution

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permitted. Nothing in that document guarantees Southern control of the national government. If the acolytes of John C. Calhoun did not care for the outcome of the election of 1860, so much the worse for them!

If the Southern states believe with good reason that Lincoln in his heart execrated part of the law he had sworn to uphold, were they not with perfect justice entitled to depart?

Once more, our author provides material sufficient to overthrow this objection, though he shrinks from the conclusion his own analysis suggests. "Lincoln was bound by a Constitution that protected slavery in any state where citizens wanted it. The republic of liberty, for whose preservation the North was fighting, had been a republic in which slavery was legal everywhere in 1776. That was the great American paradox—a land of freedom based on slavery" (p. 62).

On the one hand, one must object to McPherson's last sentence: a constitution that fails to forbid slavery is hardly based on it. But on the other hand, our author is in substance correct. The Constitution gives the federal government very limited power to interfere with a state's institutions. If the Southern states believed with good reason that Lincoln in his heart execrated part of the law he had sworn to uphold, were they not with perfect justice entitled to depart?

Our author does not see matters in this straightforward way. On the contrary: he somehow derives the conclusion that the South aggressed against the North. "In 1860 Southerners again threatened [as in 1856] to secede if a Republican was elected president. Lincoln was fed up with their protestations that they were merely trying to protect themselves from Northern aggression. 'You say, you will destroy the Union,' said Lincoln on February 27, 1860, in a speech at New York City intended to be read by Southerners; 'and then, you say, the great crime of having destroyed it will be upon us. That is cool. A highwayman holds a pistol to my ear, and mutters through his teeth, 'Stand and deliver, or I shall kill you, and then you will be a murderer'" (p. 42). McPherson, the context makes obvious, subscribes entirely to Lincoln's statement.

McPherson in doing so misses the key point. The Constitution was a compact among sovereign states. If so, a state, or a group of states, could always act according to its perceived

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interests in deciding whether the advantages of union suffice for its continuance.

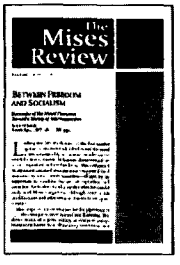
Nor will it do to adduce the results of the election of 1860, accusing the South of "undemocratically" refusing to accept the popular verdict. The United States is not, and never was, a plebiscitary democracy. The seceding states did *not* deny the legitimacy of the election. Precisely because Lincoln was legally president, they wanted out. And they had every right under the Constitution to exercise this choice. Bradford had no problem in grasping this; but McPherson, blinded by his own "liberal" views, cannot see that his own analysis of Lincoln undermines his thesis of Southern aggression.

Now an even deeper objection arises to the line of argument I have so far pursued. Suppose that the Southern states did act in accord with the Constitution as written, and Lincoln was at odds with the principle of state sovereignty that underlies that document. Nevertheless, was not Lincoln, morally speaking, correct? The South supported, and Lincoln opposed, slavery —a system clearly at odds with a classical-liberal view of human rights.

Of the latter point there can be no doubt, but the case for Lincoln is not thereby made. The framers of the Constitution believed that the powers of the central government must be strictly limited. The pursuit of a (real or alleged) good does not justify breaking free of these restraints.

The framers of the Constitution believed that the powers of the central government must be strictly limited. The pursuit of a (real or alleged) good does not justify breaking free of these restraints.

The framers had a point, as we can see from the results of Lincoln's defiance of the bounds they imposed. Our author views these with elation, but readers of this journal will I suspect be less enthusiastic. "Negative liberty was the dominant theme in early American history—freedom *from* constraints on individual rights imposed by a powerful state. The Bill of Rights is the classic



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expression of negative liberty, or Jeffersonian humanistic liberalism. The first ten amendments to the Constitution protect individual liberties by placing a straitjacket of 'shall nots' on the federal government. . . . Whereas eleven of the first twelve constitutional amendments severely limited the power of the national government, six of the next seven vastly expanded those powers" (pp. 184–85).

Once you allow that in pursuit of a "moral" end, you may abandon moral principle, disaster soon arrives.

But, someone might object, all I have shown is a difference of opinion. McPherson believes that the abolition of slavery and subsequent "civil-rights" measures justify a strong state. Bradford does not. Who can say who is right?

The matter admits of more decisive resolution than our imagined objector supposes. Once you allow that in pursuit of a "moral" end, you may abandon moral principle, disaster soon arrives. If war to end slavery is justified, why not the scorched-earth policy of Sherman, Sheridan, Butler, *et hoc genus omne*?

McPherson willingly embraces this consequence. He quotes Sherman with obvious agreement: "A commander 'may take your house, your fields, your everything, and turn you all out, helpless, to starve. It may be wrong, but that don't [sic] alter the case. In war you can't help yourselves'" (p. 82). So much for natural law!

M.E. Bradford, as frequently happens, hit the mark. McPherson is indeed an important writer. However much one may differ with his evaluations, McPherson has set the key issue of the Civil War in clear perspective: the traditional American system or a tyrannical centralized state.

Readers should not miss our author's account of the influence of Theodore Parker's transcendentalist vaporings on Lincoln's misreading of the Constitution (p. 189). ✦

AMERICA'S ORIGINAL SIN?

Vindicating the Founders: Race, Sex, Class, and Justice in the Origins of America

Thomas G. West
Rowman Littlefield, 1997, xv + 218 pgs.

Vindicating the Founders is better than I thought it would be. The author proceeds from an excellent idea. The framers have of late

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According to Harry Jaffa, all blessings flow from Abraham Lincoln.

come under attack by leftists of various sorts. As these ideologues see matters, America was conceived in sin. The framers were racist, sexist, and xenophobic. As if this were not enough, not even all white males were thought of equal worth by the framers: an elite of property owners, they thought, must keep the *canaille* firmly in check.

Professor West has had the happy thought of subjecting this farrago to careful analysis. Why, then, did I fear for the worst? The answer lies in one name: Harry Jaffa. Our author is a devout disciple of the irrepressible Harry. "I [West] studied political philosophy and America with Harry V. Jaffa, who has done more than anyone else I know to recover the Founders' understanding of liberty and equality" (p. x).

I regard admiration for Jaffa as a hanging offense. According to Harry the Terrible, all blessings flow from Abraham Lincoln. As he fatuously remarks on the present book's dust jacket, "Every human good we enjoy today is a legacy from what the Founders wrought and Lincoln preserved." Do these goods include a centralized Leviathan state? The horrors and destruction of the Civil War?

In spite of West's training with Jaffa, his book turns out to be quite good. True, a great deal of the analysis suffers from Jaffaite nonsense about equality; and it is on these errors that I propose to concentrate. I'm like that.

The Declaration of Independence states that "all men are created equal." Nevertheless, slavery was widespread in 1776; and the principal author of the Declaration, Thomas Jefferson, himself owned slaves. Further, several clauses of the Constitution appear to sanction the institution. Are not the radicals correct to say that the equality clause of the Declaration left black slaves bereft of rights?

And the view is by no means limited to the left. Forrest McDonald, an outstanding conservative historian who admires West's book, notes that the "words equal and equality, as used in the eighteenth century, did not necessarily imply a conflict with the institution of slavery" (p. 2, quoting McDonald, *Novus Ordo Seclorum*).

But our author is not convinced. He points out that the framers regarded slaves as men. True (and trite) enough: but what bearing has it on the point at issue? Is a society forbidden to enslave those outside its bounds, since "all men" have inalienable rights to life and liberty? Or does the Declaration mean that any group of men is free to form

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a society to protect the rights of its own members? The fact that slaves are men does not enable us to decide between these two readings of the clause.

Neither do the many condemnations of slavery which West culls so assiduously from the framers have the force he imputes to them. The question is not: did the framers think slavery good or bad? Rather, the issue is whether the framers thought that blacks had a *right* not to be enslaved.

Another of West's arguments comes nearer to the mark, but it too fails. He quotes a characteristically eloquent passage from Jefferson. Although Jefferson thought blacks inferior to whites in intelligence, this fact did not, he held, imply that they were inferior in rights: but "whatever may be the degree of talent it is no measure of their rights. Because Sir Isaac Newton was superior to others in understanding, he was not therefore lord of the person or property of others" (p. 9, emphasis removed, quoting Jefferson).

This passage does not, as West seems to maintain, rule out slavery of blacks. It merely denies that lack of rights *is entailed by* mental inferiority. But what if there are other grounds for slavery? Or what if a group is enslaved not because of its intrinsic qualities, but rather because it is outside the bounds of a given society? (I know I said this before—the point bears repetition.)

Against the contention of West stands a fact, already referred to, that speaks for itself. Jefferson and others of the framers held slaves themselves. Would they not be utter hypocrites if they believed that slavery violated the rights of blacks? What could be simpler than the notion that if you think slavery morally evil, you are unlikely publicly to enslave people?

In spite of West's training with Jaffa, his book turns out to be quite good.

Our author has anticipated this response, but his counter to it is not to the point. West contends that the framers rightly regarded prudence as integral to morality. Even if slavery violate rights, it does not at once follow that it should be abolished. Always the results of one's actions must be kept in mind. If abolition would have untoward consequences, morality does not require ending slavery at once, even if slavery is wrong.

And, West avers, the framers feared that abolition would have dire consequences indeed. In the late-eighteenth-century context, immediate abolition might lead to racial warfare. Hence, the framers did not attempt this: instead, they prudently held back, hoping that the chance to end slavery might come later. Only with the arrival

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of Father Abraham did the opportune moment arise.

What's wrong with this picture? Whatever its ingenuity, it fails to address the main point of the hypocrisy objection. That objection, to repeat, is that it is odd to declare slavery immoral while *you yourself* own slaves. Unless Jefferson was a hypocrite, he did *not* believe slavery in all cases a violation of rights. The fact, if it is one, that general abolition was at the time imprudent, is irrelevant. What about one's own slaves?

Why have I gone on at such length about this? Not, I hasten to state, because I wish to repeal the Thirteenth Amendment. Rather, extravagant interpretation of the equality clause lies at the heart of Jaffaism. The Great Harry maintains that, under the banner of this clause, a leader (in German the word is *Fuehrer*) may impose massive state interference on the people of the United States. Jaffa's view of the clause must be strangled in its cradle.

But, it may be objected, is not the price of doing so too high? If the Declaration does not forbid slavery, does this not leave blacks and others vulnerable to exploitation? Would we not be better off with Jaffa's view, regardless of its dangers? At least this rules out slavery.

What, though, are we left if we should take this course? On West's (and Jaffa's) view, rights stand totally subordinate to the whims of the prudent statesman. Blacks, and everyone else, have on this position only such "rights" as the Leader deigns to accord them. The Jaffaite view means not the end of slavery, but its universalization.

Extravagant interpretation of the equality clause lies at the heart of Jaffaism. Jaffa maintains that, under the banner of this clause, a leader may impose massive state interferences on the people of the United States.

So far, I have left completely unjustified one claim about the book. How can I have said that the book is much better than I had anticipated? So far, I have done nothing but denounce West as a Jaffaite.

Fortunately for our author (and for my claim), much of the book makes useful points. West strongly defends individuals' rights to own property. Family laws in the early republic did not reflect a "sexist" belief that women are inferior to men. Quite the contrary, the framers believed that strengthening the

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family helped women. "A society dominated by intact families does a better job protecting women and children against crime, poverty, and sadness. It also gives men powerful incentives to behave responsibly: love, interest, shame, and honor" (p. 105). That is well said.

West also offers an intriguing criticism of John Rawls and his brand of "welfarist" liberalism, which I wish he had developed at greater length. He correctly notes that Rawls and others of his ilk place great stress on autonomy as an ideal. "The idea of human autonomy is created by the human will. The realization of that ideal requires that those who have intelligence, ambition, sobriety, wealth, and education be compelled to support those who do not have the same talents or fortunes" (p. 63). West contrasts this view with a position that bases rights on human nature.

The Jaffaite view means not the end of slavery, but its universalization.

I am not sure what to make of this. Why must autonomy be created by the human will? What if, like Kant, one regards it as a necessary characteristic of the self? And if one favors autonomy, why must one also support Rawls's welfarism? Maybe persons should try to maximize their *own* autonomy: I fail to see anything in West's account that rules out this interpretation. And does acceptance of natural rights rule out welfare rights? Why not a natural rights basis for welfare rights?

West has not made out his case. Nevertheless, his remarks about autonomy are valuable, along with much else in *Vindicating the Fathers*. If only he were not a Jaffaite! ✦

THE DISTANCE FROM CHICAGO TO VIENNA

"Austrian and Neoclassical Economics: Any Gains From Trade?"

Sherwin Rosen

"Austrian Economics, Neoclassicism, and the Market Test"

Leland B. Yeager

Journal of Economic Perspectives 11, no. 4 (Fall 1997): 139–65

You can lead a neoclassical to Austrian waters, but you can't make him drink. Sherwin Rosen, a distinguished Chicago School economist, thinks that gains from trade between

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neoclassical and Austrian economics are possible. Though his openness to Austrian wisdom deserves our praise, he shows himself a victim of several misconceptions. For these, Leland Yeager, a self-described fellow traveler of both the Austrian and Chicago Schools (p. 153), smartly raps him on the nose.

Rosen acknowledges that "the methods of neoclassical economics mainly are concerned with the establishment of economic equilibrium under fully known . . . or given conditions of resource availability, technology, and preferences" (p. 140). But since these conditions are never in the actual world realized, is this not an admission that neoclassicism is at best of limited utility? Nor can neoclassicals escape, says Rosen, by the claim that they are not confined to the study of equilibrium. Rosen is skeptical: "There are serious questions of whether 'disequilibrium' analysis is possible in the classical scheme. In my view it isn't" (p. 140).

Of course it does not follow that if neoclassicism fails, then Austrian economics succeeds. But Rosen thinks that the main insight of the Austrians about the market is correct. In the situation that people confront, one of very limited knowledge of preferences and technology, no central authority can gather the data required adequately to coordinate the economy.

In a world of uncertainty, what is to be done? Austrians have the answer. They correctly see that only a system of competition among individuals and firms can use dispersed information effectively. Claims that central planners can mimic the market fail. "In what was perhaps their finest hour, the Austrians, led by Mises and Hayek, argued that . . . market socialism was impossible, and that it was based on a fundamentally misguided vision of markets and prices" (p. 144).

Rosen, here following Hayek, is greatly struck by parallels between market competition and biological evolution. But I fear his acquaintance with the history of biology has some missing links. He remarks "[Richard] Dawkins recasts Thomas Paley's criticism of Darwin by way of example of the construction of the human eye. How could such a complex and wonderful object be constructed other than by a supreme designer (p. 143)? Of course, Darwin criticized Paley, whose first name, incidentally, was not "Thomas" but "William."

You can lead a neoclassical to Austrian waters, but you can't make him drink.

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Quantitative studies generate useful results, therefore they are sound! Behold Chicago in action.

You might think that Rosen is ready to jump ship and enlist under the banner of Mises. Not so. The Austrians, it seems, suffer from severe failings. Most particularly, Austrians reject, or at least view with misgiving, much of quantitative work. Austrians argue that "the world is changing so much that 'behavioral relationships' inherently are unstable and it is fruitless to estimate them" (p. 147).

You might expect that Rosen would endeavor to respond. But this criticism strikes too close to the neoclassical home. Rather than answer, he suggests instead that we shall not get the "realistic and useful" (p. 148) results that we want if we turn aside from the quantitative. The studies generate useful results, therefore they are sound! Behold Chicago in action.

Professor Yeager addresses this criticism with appropriate severity. "As for predictions, Austrians take another fact seriously: the economic world is an open rather than a closed system and as such has an unknowable future. . . . a numerical forecast cannot be reliable. A pretense of satisfying unsatisfiable demands for forecasts is intellectually disreputable" (p. 157).

Yeager likewise finds unimpressive Rosen's complaint that Austrians do not define entrepreneurial activity operationally. (If you don't know what an "operational" definition is, you are not missing much.)

Yeager responds: "My reply is the standard remark about keys and lampposts. Again we see the difference between narrow empiricism that looks only at numbers, and a broader empiricism that draws on direct observations" (p. 157).

But it is another part of Rosen's article that most rouses Yeager to comment. Rosen suggests that there is a "marketplace in ideas": just as bad products fall by the wayside, so does struggle for survival weed out bad theories.

Yeager will have none of this. He points out first "that the metaphorical academic market is less responsive to the wishes of whoever the ultimate consumer may be than is the actual market in goods and services" (p. 161). And there is a deeper criticism. The market produces what consumers want. It does not test for good taste or truth. In science, our goal is truth, and we have no reason to think that in this sphere God is on the side of the big battalions.

After reading Rosen and Yeager, I have no doubt that neoclassicals can gain much from Austrians. Whether Austrians can likewise benefit from trade with neoclassicals is open to question.

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